

Notice No.: 99-003

Date: May 28, 1999

Applies to: All Employers

Subject: Contribution Rate Changes

Pension contribution rate changes

Pension contribution rates will be reduced for many employers and employees based on the recommendations of the Office of the State Actuary (OSA), action taken by the Pension Funding Council, and the decision by the Director of the Department of Retirement Systems (DRS). The rate reductions are significant and reflect the solid financial status of the Plan 2 retirement systems and the substantial improvement in the funding status of the Plan 1 systems.

The rate changes for the Public Employees' Retirement System (PERS), Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) and Washington State Patrol Retirement System (WSPRS) are **effective July 1, 1999**. For the Teachers' Retirement System (TRS), the rate change is **effective September 1, 1999**. The effective dates of these changes were established by Engrossed Substitute Senate Bill (ESSB) 5180, sections 907 and 908.

The member contribution rates for PERS 1 (6%), TRS 1 (6%), WSPRS (7%) and LEOFF 1 (6%) are set in statute and will **not** change on July 1, 1999, or September 1, 1999. The Judicial Retirement System and the Judges' Retirement Fund member and employer rates are also set in statute and will **not** change.

DRS administrative rate changes

In addition to changes in the contribution rates, the DRS administrative rate for funding the administration of the state retirement systems, will be increased from 0.18 percent to 0.19 percent for PERS and TRS. This administrative rate change is **effective July 1, 1999**. This increase is necessary to fund the implementation of the School Employees' Retirement System (SERS), which is scheduled to become effective September 2000.

The administrative rate for LEOFF is increased to 0.21 percent, from July 1, 1999, through June 30, 2000. The increase is necessary to fund a study by the Office of the State Actuary of LEOFF Plan 1 medical liabilities, as established by ESSB 5180, section 136 and 137. This administrative rate will be reduced to 0.19 percent, effective July 1, 2000. Another DRS Notice will be sent prior to this change.

Please refer to the attached charts for contribution rates and effective dates for each system and plan.

Questions?

Please contact the DRS Assistant Director of Administrative Services, Mark Feldhausen, at (360) 664-7304, if you have any questions regarding this DRS Notice.

This Notice can be accessed on the DRS Web site at **<http://www.wa.gov/DRS/employer>**.

John F. Charles
Director

Contribution Rates Effective July 1, 1999				
	Plan 1		Plan 2	
Public Employees' Retirement System (PERS)	<u>Percent</u>	<u>Rate</u>	<u>Percent</u>	<u>Rate</u>
Member Contribution Rate	6.00%	0.0600	1.85%	0.0185
Employer Contribution Rate	4.60%*	0.0460*	4.60%*	0.0460*
PERS State Government Elected Officials				
Member Contribution Rate	7.50%	0.0750	1.85%	0.0185
Employer Contribution Rate	6.81%*	0.0681*	4.60%*	0.0460*
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)				
Cities, Counties, Fire Districts, etc.				
Member Contribution Rate	6.00%	0.0600	5.87%	0.0587
Employer Contribution Rate	6.21%**	0.0621**	3.73%**	0.0373**
Ports and Universities				
Member Contribution Rate	—	—	5.87%	.0587
Employer Contribution Rate	—	—	6.08%**	.0608**
Washington State Patrol Retirement System (WSPRS)				
Member Contribution Rate	7.00%	0.0700	—	—
Employer Contribution Rate	0.00%	0.0000	—	—
Teachers' Retirement System (TRS)				
Member Contribution Rate	6.00%	0.0600	6.03%	0.0603
Employer Contribution Rate ***	11.94%*	0.1194*	11.94%*	0.1194*
TRS State Government Elected Officials				
Member Contribution Rate	7.50%	0.0750	6.03%	0.0603
Employer Contribution Rate ***	11.94%*	0.1194*	11.94%*	0.1194*

* Includes an administrative expense rate of 0.19 percent.

** Includes an administrative expense rate of 0.21 percent.

*** Rates are the same for TRS Plan 3.

Contribution Rates Effective September 1, 1999				
	Plan 1		Plan 2	
Teachers' Retirement System (TRS)	<u>Percent</u>	<u>Rate</u>	<u>Percent</u>	<u>Rate</u>
Member Contribution Rate	6.00%	0.0600	2.94%	0.0294
Employer Contribution Rate ***	8.68%*	0.0868*	8.68%*	0.0868*
TRS State Government Elected Officials				
Member Contribution Rate	7.50%	0.0750	2.94%	0.0294
Employer Contribution Rate ***	8.68%*	0.0868*	8.68%*	0.0868*

* Includes an administrative expense rate of 0.19 percent.

** Includes an administrative expense rate of 0.21 percent.

*** Rates are the same for TRS Plan 3. Includes a 0.11 percent increase due to the passage of HB1023.

1999 DRS Notices

For a copy of a Notice, call (360) 664-7170 or 1-800-547-6657, or access on the DRS Web site at <http://www.wa.gov/DRS/employer>.

Notice No.	Applies to/ Subject Matter
99-001	PERS, LEOFF, WSPRS and JRS Employers Members' Annual Statements and Sequencing Information
99-002	All Employers DRS is Moving to a New Location in January
99-003	All Employers Contribution Rate Changes